

# DIRECTIVE

## JOB TRAINING PARTNERSHIP ACT

Number: D98-17

Date: June 7, 1999  
69:113:is/cg:2858

TO: SERVICE DELIVERY AREA ADMINISTRATORS  
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS  
JTPD PROGRAM OPERATORS  
EDD JOB SERVICE OFFICE MANAGERS  
JTPD STAFF

SUBJECT: USE OF PY 1998 AND FFY 1998 JTPA FUNDS FOR WIA TRANSITION  
PLANNING

### EXECUTIVE SUMMARY:

#### Purpose:

The purpose of this directive is to advise that Program Year (PY) 1998 and Federal Fiscal Year (FFY) 1998 Job Training Partnership Act (JTPA) funds may be used at the substate level for Workforce Investment Act (WIA) planning; and to explain the allowable uses, expenditure limitations, and required reporting of the funds. Direction regarding the availability and use of PY 1999 funds for WIA planning will be issued separately.

#### Scope:

This directive applies **only** to PY 1998 funds issued to Service Delivery Areas (SDA) under JTPA Title II-A (Adult, 77 percent), Title II-C (Youth, 82 percent), and Title III (Dislocated Worker, 60 percent) and FFY 1998 funds issued under JTPA Title II-B (Summer Youth Employment and Training Program, [SYETP]). Only WIA planning costs occurring on or after August 7, 1998, through June 30, 2000, may be reported.

#### Effective Date:

This directive is effective immediately.

### REFERENCES:

- Workforce Investment Act of 1998 (PL 105-220) Section 506(d)
- Department of Labor (DOL) JTPA Regional Bulletin (JRB) #30-98, Use of JTPA Funds for Planning for the Workforce Investment Act, December 17, 1998
- The DOL Planning Guidance and Instructions for Submission of the Strategic Five-Year Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act; Notice in the Federal Register, February 25, 1999

## **STATE-IMPOSED REQUIREMENTS:**

This directive contains some state-imposed requirements. These requirements are indicated by ***bold, italic*** type.

## **FILING INSTRUCTIONS:**

This directive finalizes Draft Directive DD-13, issued for comments on March 29, 1999. Retain this directive until further notice.

## **BACKGROUND:**

The Workforce Investment Act of 1998 (PL 105-220) was signed into law on August 7, 1998. It mandated, by July 1, 2000, the implementation of Title I of the Workforce Investment Act Program to replace the currently operating Job Training Partnership Act Program. No separate WIA allocation is provided to fund the planning activities for the WIA. However, Section 506 of the WIA allows each state to use up to two (2) percent of their FFY 1998, and FFY 1999 formula allotment for transition activities. Not less than 50 percent of such funds are to be made available to local entities.

All FFY 1998 funds have been allocated. Therefore, to support WIA implementation activities, SDAs may redirect, from the already allocated JTPA PY 1998 and FFY 1998 funds only, an amount not to exceed two percent of the PY 1998 Title II-A (Adult, 77 percent), Title II-C (Youth, 82 percent), and Title III (Dislocated Worker, 60 percent) allocations, and FFY 1998 Title II-B (SYETP) allocations. The process for distribution and use of PY 1999 WIA planning funds will be developed and issued separately.

## **POLICY AND PROCEDURES:**

### Funding for Planning Activities

The maximum amount allowable for each SDA to expend on planning activities from their PY 1998 funds is equal to two percent of the total funds allocated under JTPA Title II-A (Adult, 77 percent), Title II-C (Youth, 82 percent), and Title III (Dislocated Worker, 60 percent) plus two percent of their FFY 1998 Title II-B (SYETP) allocation. Allocation is defined as the original amount issued to the SDA, adjusted by voluntary deobligations and reobligations, but excluding any transfers. These amounts can be found in the SDA Title II master subgrant (G900XXX) under grant codes 220 and 270; in the Title III master subgrant (G900XXX) under grant code 515; and in the Title II master subgrant (G800XXX) under grant code 335.

The actual funds expended can be drawn from any or all of the four referenced allocations. Funds do not have to be drawn proportionately from all four allocations.

## Allowable Activities

The WIA states that funds can only be used for planning activities that take place on or after August 7, 1998, and no later than June 30, 2000.

These funds are to be used to plan programs and activities authorized under the WIA. Examples of allowable local activities include:

- convening meetings of various partners
- organizing local Workforce Investment Boards
- developing local WIA plans
- selecting the One-Stop operator(s)
- entering into contracts with entities to provide recommendations on various partners' implementation issues and design strategies
- developing lists of eligible providers
- developing an Individual Training Account system
- transferring equipment and records from a JTPA SDA to a WIA One-Stop operator

These planning funds are not to be used for the purchase of equipment or for any activities related to the closeout of JTPA.

The SDAs are reminded that many partners are involved in the transition to the WIA. The funding needs for transitional planning activities of those partners must be considered in the budgeting and allocation of these funds.

## SDA Two-year Plan

No changes in the SDA two-year plan are required to account for this redirection of funds.

## Reporting

Beginning with the reports for the quarter ending March 31, 1999, WIA planning expenditures can be reported to the State on the quarterly JTPA 12 (Title II-A 77 percent, Title II-B SYETP and Title II-C 82 percent) and/or the JTPA 12E (Title III 60 percent), Summary of Expenditures Report. Regardless of how the funds were spent, they are reported as expenditures for the program and component which was the source of the funds (Title II-A 77 percent, Title II-B SYETP, Title II-C 82 percent, and/or Title III 60 percent).

Transition planning expenditures are classified as "Administration", and are to be included in the amount entered on line II.A.3. (Title II-A, Title II-B, and Title II-C) and/or II.B.5. (Title III) of the report. (Do not report any WIA unliquidated obligations on the "Unliquidated Obligations" line [III.B.].) Planning expenditures will be excluded from any JTPA cost limitation calculations and fund utilization calculations.

In order to ensure the exclusion of planning expenditures from cost limitation and fund utilization calculations, the amount of transition expenditures must be noted separately under "COMMENTS" (Section IV.). ***If you have no planning expenditures to report, the statement "NO WIA PLANNING EXPENDITURES" must be put in the "COMMENTS" section.***

#### Cost Limitations

Planning expenditures will be excluded from any JTPA cost limitation calculations. If the expenditures come from Title II-A, Title II-B, or Title II-C, the amount spent will be removed from the "Total Allotment" line (I.F.) and the "Administration" line (II.A.3.). The percent spent on "Administration" will be calculated on these revised numbers. If the expenditures come from Title III, the amount spent will be removed from the "Total Program Expenditures" line (II.B.) and the "Administration" line (II.B.5.). The percent spent on "Administration" will be calculated using these revised numbers.

#### Fund Utilization

WIA planning expenditures will be excluded from any JTPA fund utilization calculations. The amount spent will be removed from the "Total Allotment" line (I.F.) and the "Total Program Expenditures" lines, II.A. (for Title II-A and Title II-C) and/or II.B. (for Title III). The percent of funds utilized will be calculated using these revised numbers.

#### **ACTION:**

- Calculate the amount of PY 1998 and FFY 1998 funds available to your SDA for WIA planning.
- Determine the amount spent since August 7, 1998, for your SDA planning activities and/or partners' planning activities you have funded.
- Include these prior amounts and any current expenditures on your JTPA 12(s) "Administration" line and note the amount in the "COMMENTS" starting with the report for the quarter ending March 31, 1999.
- If you have no planning expenditures to report, include the statement "NO WIA PLANNING EXPENDITURES" in the "COMMENTS".

#### **INQUIRIES:**

Please direct inquiries about this directive to David Rexius, Manager, Financial Management Unit, at (916) 654-8502.

/S/ BILL BURKE  
Assistant Deputy Director